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Proposed Counsel for Plaintiff

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re

FUTURE LEGENDS 5, LLC,

Debtor.

Case No. BK-S-24-51031-hlb

Chapter 11

Adversary No.:

FUTURE LEGENDS 5, LLC,

Plaintiffs,

v.

TOWN OF WINDSOR, COLORADO;
 SHANE HALE; and SCOTT BALLSTADT,

Defendants.

COMPLAINT

Future Legends 5, LLC (“FL5” or “Debtor”), debtor and debtor in possession in the above-captioned chapter 11 case (the “Chapter 11 Case”), by and through its counsel of record, Fox Rothschild, LLP, hereby files this Complaint against the Town of Windsor, Colorado and asserts as follows:

INTRODUCTION

1. In this action, the Debtor seeks a limited, four-month injunction requiring the Town of Windsor, Colorado to renew the temporary certificates of occupancy relating to the Debtor, and entities related to the Debtor, as it has prior to the Debtor’s bankruptcy case. The TCOs currently expire on October 31, 2024. The TCOs are necessary for the ongoing operations of the Debtor and related, non-debtor entities in connection with the Future Legends Project as set forth below.

JURISDICTION AND VENUE

2. This action is brought pursuant to sections 105 of title 11 of the United States Code (the “Bankruptcy Code”), and Rules 7001(7) and 7065 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

3. This Court has jurisdiction to consider and determine this matter pursuant to 28 U.S.C. §§ 157 and 1334.

4. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A) and (O).

5. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

6. The statutory basis for the relief requested herein is section 105 of the Bankruptcy Code.

7. Pursuant to Fed. R. Bankr. P. 7008(a) and Local Rules 7008 and 7012, Debtor consents to the Court’s entry of a final judgment or order with respect to this adversary proceeding if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

THE PARTIES

8. Debtor is a Nevada limited liability company.

9. The Town of Windsor, Colorado is a home rule municipality organized under Colo. Const. art. XX, § 6 and art. XIV, § 16.

10. Shane Hale is the Town Manager of the Town of Windsor, Colorado and, is a resident of the State of Colorado.

11. Scott Ballstadt is the Director of Planning for the Town of Windsor, Colorado and is a resident of the State of Colorado.

GENERAL ALLEGATIONS

General Background

12. The Future Legends Project is a 118-acre facility, located in Windsor, Colorado (“Windsor”), that has been designed to be a premium destination for sports and events. It is intended to be one of the country’s elite sports facilities for players of all ages and skill levels and is designed

1 to host guests for major indoor and outdoor sports tournaments, events, leagues, and more. The
 2 primary source of demand for the Future Legends Project is youth tournaments which include
 3 baseball, soccer, basketball, volleyball, lacrosse, softball, flag football, e-sports, gymnastics,
 4 wrestling, pickleball, and miscellaneous events.

5 13. The Future Legends Project is unique and interconnected, with many of the programs
 6 running in unison and symbiotically, and it has been designed to operate in a composition of various
 7 buildings and venues, described generally by purpose below, as follows:

8 a) Dormitory. Lodging for players and coaches of the tournaments will be
 9 provided by a 64-room, 900+ bed Dormitory on site, which when constructed will allow the players
 10 to stay together in a bunk room setting that encourages team comradery and bonding at a lower rate
 11 than typical hotel stays.

12 b) Stadiums. The overall design includes a professional stadium (known as the
 13 TicketSocket Stadium) and a collegiate stadium (known as the 4Rivers Stadium). The professional
 14 stadium – designed for 6,000-seats and 8,000 square feet of restaurants – is home to the Northern
 15 Colorado Owlz, a professional baseball team in the Pioneer League, a partner with Major League
 16 Baseball. The professional stadium will also host two United Soccer League minor leagues, for men
 17 and women, the Colorado Hailstorm FC and the Northern Colorado Rain FC. The pro team sports
 18 are another major draw to the site both for locals, tournament operators and organizations seeking
 19 facilities, and guests and spectators of the pro sports teams.

20 c) Dome. This is the primary asset of the Debtor. The Dome is ten stories high
 21 and one of the three largest multi-sport domes in the world. The Dome is large enough to
 22 accommodate one full size soccer field, or two youth baseball fields, and sixteen regulation volleyball
 23 courts, or eight regulation basketball courts. The Dome connects to the Clubhouse, which is a two-
 24 story bar and restaurant, with views inside the Dome to the north and into the professional stadium
 25 to the south. The primary use of the Dome is ancillary to the outdoor events – used for overflow,
 26 warm up and practicing, while events that create income occur outside the Dome.

27 d) Hotels. The Hotels include a Hampton Inn and a Hilton Garden Inn, which
 28 include upscale lodging for players, families, guests, and pro sports spectators on-site with rooms that

1 overlook the professional stadium. The Hampton Inn will have 108 rooms, and the Hilton Garden Inn
2 will have 147 rooms, for a total of 255 rooms when constructed.

3 e) Retail. The Retail Plaza is 63,698 square feet of space designed to provide
4 food and shopping to guests on-site, when constructed, including locally owned restaurants and well-
5 known national food chains. Much of the retail space has been pre-leased.

6 **Construction and Operations**

7 14. The Future Legends Project, despite only being about 10% open, had approximately
8 700,000 visitors in 2023. Those numbers are on pace to increase in 2024. The following is an example
9 of the current, extensive use of the Dome and Stadiums:

10 a) the Northern Colorado Hailstorm Playoff (USL Soccer) games are coming this
11 weekend (November 2, 2024) and will draw 2500+ people, along with the same amount of people up
12 to three more weeks depending on the results of the games.

13 b) There is nightly, weekday Dome usage by approximately 600-1000 kids
14 primarily for indoor sports, and another 400 in the Collegiate stadium in coordinated play.

15 c) Regional Soccer/ Softball/ Futsal tournament every weekend until end of year
16 in the Dome and Collegiate Stadium. These people travel hundreds or thousands of miles. Over 1000
17 kids each weekend day will be involved, plus their parents or relatives.

18 15. Presently, business is primarily comprised of youth sports tournaments, academies,
19 practices, and clinics. Thousands of children play various sports weekly on site, mostly outside.
20 Ancillary to that are three professional sports teams, all of whom presently play in 4Rivers Stadium,
21 and are attended by close to a quarter million people. Once the Dormitory (and Hotels) are complete,
22 participants will stay on site as well. Gross Revenue in 2023 was approximately \$8 Million. In
23 addition, a substantial portion of the Windsor's parks and recreation use the facility, mostly for
24 baseball, softball, and soccer under a multi-year agreement. The above events require significant
25 staffing such as event coordinators, maintenance workers, counselors, coaches and teachers,
26 supervisors, health, safety and medical professionals, concession and merchandise operators,
27 cleaning, and security. In all, the Future Legends Project presently employs nearly 200 people, on its
28 way to over 600 once complete.

1 16. Throughout its 118 acres, the Future Legends Project is comprised of seven distinct
2 and separate parts with seven separate ownership entities and multiple different loans and lenders as
3 follows:

4 a) Future Legends, LLC owns approximately 100 acres which includes the
5 4Rivers Stadium, multiple outdoor fields, roads, parking lots, concessions, and the maintenance
6 buildings. This land surrounds the vertical improvements. Presently, most of the business on site
7 occurs in this part of the Future Legends Project. The Lender for these areas is Ignite Funding.

8 b) Future Legends 1, LLC is the owner of the approximately four acre parcel that
9 comprises the professional stadium known as the TicketSocket Stadium, otherwise referred to as Lot
10 2. The stadium is approximately 60% complete; however, this parcel is not in use. The Lender on the
11 professional stadium is US Eagle Federal Credit Union.

12 c) Future Legends 2, LLC is the owner of the parcel that contains a hotel, the
13 Hampton Inn. Construction is just under way, and the hotel is not yet in use. The Lender on this parcel
14 is Second Street Developers, LLC.

15 d) Future Legends 3, LLC is the owner of the parcel that contains a hotel, the
16 Hilton Garden Inn. Construction is underway, and the hotel is not yet in use. The Lender on this parcel
17 is Second Street Developers, LLC.

18 e) Future Legends 4, LLC is the owner of the approximately two acre Dormitory
19 parcel, otherwise referred to as Lot 5. This building is approximately 80% complete and not yet in
20 use. The Lender is US Eagle Federal Credit Union.

21 f) Future Legends 5, LLC, the Debtor, is the owner of the approximately five acre
22 Dome parcel, otherwise referred to as Lot 1. Part of this parcel is open and in use under a Temporary
23 Certificate of Occupancy ("TCO") issued by the Town of Windsor. The Dome connects to the
24 Clubhouse, which is a two-story bar and restaurant. The restaurant portion in the clubhouse is more
25 than 95% complete. This entity has no employees. The Lender is US Eagle Federal Credit Union. The
26 Tenant for this parcel is Future Legends, LLC under a lease agreement (referenced below).

27 g) Future Legends 6, LLC is the owner of the Retail parcel. Construction has
28 barely begun. The Lender is Ignite Funding.

Future Legends, LLC, Future Legends 1, LLC, Future Legends 2, LLC, Future Legends 3, LLC, Future Legends 4, LLC, Future Legends 5, LLC, and Future Legends 6, LLC are collectively referred to herein as the “FL Parties.”

17. The FL Parties were created in order to meet lending requirements to construct the Future Legends Project.

The Temporary Certificates of Occupancy Issued By Windsor

18. Given that parts of the Future Legends Project have not been finally constructed, Temporary Certificates of Occupancy (“TCOs”) have been issued by Windsor relating to the Future Legends Project as follows:

a) Future Legends Complex (Dome Only) dated August 6, 2024 with an expiration date of October 31, 2024 providing a “legal description” of Lot 1 Diamond Valley 10th FG and providing a building address of 1090 Future Legends Dr;

b) Future Legends Collegiate Stadium dated August 6, 2024 with an expiration date of October 31, 2024 providing a “legal description” of Lot 1 Diamond Valley 10th FG and providing a building address of 950 Owlz Way; and

c) Future Legends Pickleball Court dated August 6, 2024 with an expiration date of October 31, 2024 providing a “legal description” of Lot 1 Diamond Valley 10th FG and providing a building address of 1090 Future Legends Dr.

The Future Legends Complex (Dome Only), the Future Legends Collegiate Stadium, and Future Legends Pickleball Court referenced above in the TCOs are collectively referred to herein as the “TCO Properties.”

19. The TCOs have been renewed multiple times (at least 7) over the past 18 months.

20. Historically, the TCOs have been renewed at or within a week prior to their respective expiration date. To date, the TCOs have not been renewed.

21. The Debtor was informed on October 29, 2024 that Windsor would not renew the TCOs given the Debtor’s and the FL Parties’ the lack of progress in completing the Future Legends Project. See attached **Exhibit 1**. Windsor did not give this extension even though the circumstances

that existed at the time of prior extensions have not materially changed.¹

History Specifically Relating To Debtor, Future Legends 5, LLC

22. In early 2019, Jeff Katofsky (“Mr. Katofsky”), and Chris Balestrino, the Managing Director of Madison One on behalf of US Eagle Federal Credit Union, had conversations regarding the financing of the Future Legends Project under certain United States Department of Agriculture (“USDA”) loan programs.

23. Discussions continued over several months regarding the applicability and the viability of the USDA programs, and applicable loan terms. At the time, the USDA had a loan cap of \$10,000,000 per borrower and \$50,000,000 per principal. Thus, with effectively a \$10,000,000 loan availability, the USDA program did not appear to work for the Future Legends Project because insufficient funds could not be borrowed.

24. Given that the loan amounts were insufficient, Chris Balestrino came up with a plan. Mr. Balestrino advised Mr. Katofsky to separate each building into a separate limited liability company. As part of his plan, each separate limited liability company would be a borrower, allowing US Eagle Federal Credit Union, through the USDA program, to underwrite five separate \$10,000,000 loans (for a total of \$50,000,000). Based upon Chris Balestrino’s plan, on July 23, 2020, Mr. Katofsky created five separate Nevada limited liability companies on July 23, 2020 – Future Legends 1, LLC; Future Legends 2, LLC; Future Legends 3, LLC; Future Legends 4, LLC; and Future Legends 5, LLC – for the purpose of each entity holding a different vertical building at the Future Legends Project. Thereafter, during Covid, the USDA lending limits changed. At that time, since no loan had yet closed, it was decided to only finance three, rather than five, parcels, resulting in loans on the Stadium, Dormitory, and Dome.

25. In the Spring of 2022, Mr. Chris Balestrino realized, in reformulating the Dome loans, that there was an issue with the then ownership of the Dome property and the fields which were financed by Ignite Funding because both properties were in the name of Future Legends, LLC.

¹ Given that the only real change between Windsor’s last renewal of the TCO and now is the Debtor’s bankruptcy filing, Debtor will be investigating whether it has claims against Windsor pursuant to 11 U.S.C. § 525(a) for Windsor’s refusal to renew, among other things, the TCOs. The Debtor reserves all of its rights to assert such claims.

Specifically, as set forth above, Future Legends, LLC owns areas that include the 4Rivers Stadium, multiple outdoor fields, roads, parking lots, concessions, and the maintenance buildings. As such, Chris Balestrino demanded that Mr. Katofsky change the Dome ownership from Future Legends LLC to one of the numbered entities – namely Future Legends 5, LLC.

26. On May 1, 2022, Future Legends, LLC (seller) and Future Legends 5, LLC (buyer) entered into a Purchase and Sale Agreement with regard to the following described real property:

Lot 1, Diamond Valley Subdivision 10th Filing, per plat recorded June 25, 2021 as Reception Number 4729306, County of Weld, State of Colorado.

27. On August 1, 2024, Future Legends 5, LLC (as the landlord) and Future Legends, LLC (as the tenant) entered into a Lease Agreement for the premises located at 1090 Future Legends Drive (the “Lease Agreement”).

Dispute With General Contractor

28. A dispute arose between the Debtor and the FL Entities, and Jaco, the general contractor of the Future Legends Project, as it refused to cooperate with the Debtor and the lender. This resulted in payments not being made to sub-contractors (even though loan proceeds were sufficiently available from US Eagle Federal Credit Union).

29. After 9 months of this stalemate, the loans to US Eagle Federal Credit Union fell into default.

The Receiver

30. On August 30, 2024, US Eagle Federal Credit Union filed a Verified Forthwith Motion for *Ex Parte* Appointment of Receiver Pursuant to Contract and C.R.C.P. 66 in District Court, Weld County, State of Colorado (“Colorado Court”).

31. On September 3, 2024, the Colorado Court entered an Order Appointing Receiver Pursuant to Contract and C.R.C.P. 66 (“Receiver Order”).

32. The Receiver Order defines the “Borrowers” and the “Receivership Property” as follows:

Borrowers and Respondents to the ex parte motion, Future Legends LLC, Future Legends 1, LLC and Future Legends 4, LLC, all of which are Nevada limited liability companies and are the owners of certain corporate assets

located in Weld County, identified as:

- (i) 1000 Future Legends Drive, Windsor, Colorado, 80550;
- (ii) **1090 Future Legends Drive, Windsor, Colorado 80550;**
- (iii) 940 Owlz Way, Windsor Colorado 80550; and
- (iv) Any personal property, records, documents, plans, materials, or other tangible or intangible assets of Borrowers related to the above identified parcels.

(emphasis added)(collectively, the “Property”).

33. Future Legends 5, LLC is not a party to the Receiver Order.

34. The address of “1090 Future Legends Drive” in the Receiver Order is the street address for the Dome/Clubhouse.

35. The Receiver Order further provides that Cordes & Company LLP is the appointed receiver for the Property (“Receiver”).

36. The Receiver Order was amended on September 18, 2024, and as amended, provides that it applies to the following real property:

- Lot 1, Diamond Valley Subdivision 10th Filing, per Plat recorded June 25, 2021, as Reception Number 4729306, County of Weld, State of Colorado;
- Lot 2, Diamond Valley Subdivision 10th Filing, per Plat recorded June 25, 2021, as Reception Number 4729306, County of Weld, State of Colorado; and
- Lot 6, Diamond Valley Subdivision 10th Filing, per Plat recorded June 25, 2021, as Reception Number 4729306, County of Weld, State of Colorado.

37. As set forth above, the Receiver Order originally extended to “1090 Future Legends Drive, Windsor, Colorado 80550,” but as amended became limited to “Lot 1, Diamond Valley Subdivision 10th 6 Filing, per Plat recorded June 25, 2021 at Reception Number 4729306, County of Weld, State of Colorado” (the “Dome and Clubhouse”). Thus, although Future Legends 5, LLC, is not a party to the Receiver Order, the Receiver Order identifies the Debtor’s property, Lot 1.

Bankruptcy Filing

38. On October 14, 2024, the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

39. An Official Committee of Unsecured Creditors has not been appointed.

40. The Debtor has filed a Motion For Turnover Pursuant To 11 U.S.C. § 543. [ECF 14].

Financing

41. The FL Entities and the Debtor have secured financing. Phoenix Capital Solutions is the new lender for Future Legends, LLC, under contract to fund just over \$260,000,000 over the next 12 months starting in early November 2024. These funds are intended, among other things, to pay off all existing creditors and fund the completion of all construction at the Future Legends Project. The assets of the Debtor are included as collateral in this loan. This loan will permit all debts to be paid in full and all construction for the entire project to be completed in short order. See **Exhibit 2**.

42. Future Legends, LLC has an additional loan for \$40,000,000 expected to close within 15 days. While this loan has not been made upon the Debtor's collateral, Future Legends intends to loan Debtor sufficient funds to complete its restaurant construction so that the project can obtain a certificate of occupancy within the next 90 days. See **Exhibit 3**.

Need For Immediate Relief

43. The TCOs expire on October 31, 2024. The TCOs are necessary to lawfully operate the TCO Properties. The operation of the TCO Properties provides income for the maintenance and preservation of the TCO Properties that are part of the Future Legends Project. Without operations, the Debtor fails, the loans described above will disappear, and creditors will then not get paid.

44. The FL Entities and Debtor in the past couple of weeks have had numerous meetings with the Defendants requesting that the TCOs be extended for an additional time frame to allow FL Entities and Debtor to fund their loans and complete construction. The FL Entities have engaged the ASR Companies as its replacement general contractor for the completion of work that is outlined in the Town's July 18, 2024 Correspondence (See **Exhibit 4**), which provides, in pertinent part:

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The Town has worked with Future Legends to issue previous extensions to these TCOs but little to no progress has been made in the past year and, given this lack of performance on the part of Future Legends, the Town is not inclined to grant further extensions. Therefore, please be advised that upon expiration of these TCOs next Tuesday, the Town will be forced to post the property and restrict access to not allow public occupancy of the facilities due to unsafe and unsanitary conditions. Examples of such conditions include, but are not limited to:

Dome & Pickleball Courts:

- On-going use of narrow access road not designed or approved or lighted for long-term or permanent ingress/egress
- No secondary access using only one public ingress/egress access point – circuitous route through construction zones does not suffice for secondary access
- Open trenches and construction areas accessible to public
- On-going use of port-a-lets since opening with little to no progress on permanent restrooms in the past 6 months
- Accumulation of trash and debris on site and infrequent servicing of port-a-lets

Collegiate Field:

- Still utilizing parking areas with a single lift of asphalt not meeting Town standards

- Fields to the west and south of collegiate field still under construction and open to trespass; these construction zones are in high traffic areas and present an attractive nuisance to children coming to the site
- Still utilizing generator power for lighting; operations on generator power was allowed on a temporary basis to open facility but needs to be converted to permanent power

45. On October 29, 2024, the Defendants sent the following correspondence to Mr. Katofsky (See **Exhibit 1**):

As you know, the Temporary Certificates of Occupancy (TCOs) associated with the following Future Legends facilities are scheduled to expire on Thursday, October 31, 2024.

Pickleball Courts – 1090 Future Legends Drive – Permit #22WIN02163
Dome/Clubhouse – 1090 Future Legends Drive – Permit #21WIN-01485
Collegiate Stadium – 950 Owlz Way – Permit #21WIN-02226

This letter is being sent per your request regarding the Town's consideration of your latest request for approval of TCO extensions. The Town has previously approved multiple extensions to Temporary Certificates of Occupancy (TCOs) at the request of Future Legends in an effort to work with you and allow time to address outstanding issues. For example, the initial TCO for the dome was granted on January 6, 2023, and the Town has granted you a total of seven (7) extensions on your TCO. The Town has prioritized this project from the start to give it the greatest opportunity to succeed and that is why those requests were approved.

Unfortunately, the lack of progress persists and various safety and sanitary concerns remain an issue as they have for over a year. Additionally, the Town has received numerous complaints from users of the facility due to the same conditions and concerns. Therefore, the Town will not approve your request for additional extensions, but will remain active with your team to ensure that you are able to finish each facility in order to receive a certificate of occupancy.

46. Further, the Debtor and the FL Parties have contracted with teams to allow them to host their games, tournaments, and playoffs at the TCO Properties as described above. The expiration of the TCOs will cause the Debtor and the FL Parties to default under such contracts causing damages to such parties and causing the loss of goodwill with such sports teams and others similarly situated which, in turn, will cause further damage to the Debtor and the FL Parties.

FIRST CAUSE OF ACTION

(Injunctive Relief)

47. Under 11 U.S.C. § 105(a), this court may “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.”

48. The Debtor, who is affected by the TCOs, given that they affect the TCO Properties which are part of the Future Legends Project, requests that this Court enter an injunction pursuant to 11 U.S.C. § 105 mandating that Windsor renew the TCOs for at least another 90 days.

49. The Debtor and the FL Entities have obtained financing which will be in an amount sufficient to pay all creditors. In the absence of an injunction, the financing obtained by the Debtor and the FL Entities for the Future Legends Project will be lost. The relief sought by the Debtor will protect and preserve the Debtor’s property for the benefit of its estate and *all* creditors while leaving Windsor unharmed and in the same position that Windsor, with respect to the TCOs, has been in for several months.

50. The Debtor can demonstrate a reasonable likelihood of success on the merits. The Debtor and the FL Entities have secured financing. Phoenix Capital Solutions is the new lender for Future Legends, LLC, under contract to fund approximately \$260,000,000 over the next 12 months starting in early November 2024. These funds are intended, among other things, to pay off all existing creditors and fund the completion of all construction at the Future Legends Project. See **Exhibit 2**.

51. The Debtor, its estate and all creditors will be irreparably injured if the Court does not enter an injunction mandating that Windsor renew the TCOs for at least another 90 days. As set forth above, the TCOs allow the TCO Properties to operate, which operations generate revenue for, *inter alia*, their maintenance, taxes, utilities, and insurance. The operations of the TCO Properties are integral to the Future Legends Project and therefore the new financing. The Debtor needs the

1 financing to be able to successfully reorganize its debt and pay all creditors of the Debtor and the FL
2 Entities. The Debtor will suffer immediate and irreparable harm if Windsor is not required to extend
3 the TCOs. The Debtor has no plain, speedy, or adequate remedy at law.

4 52. The balance of hardships weighs in favor of the Debtor. The TCOs are necessary for
5 the TCO Properties' maintenance and operation. The TCO Properties are integral to the Future
6 Legends Project and thus necessary for the financing that the Debtor and the FL Entities have
7 obtained. Without the TCOs the Debtor's financing necessary for reorganization will not only be lost,
8 but the TCO Properties will suffer in that there will not be funds generated by the TCO Properties to
9 be used for maintenance and preservation of these properties. In addition, the Debtor and the FL
10 Parties will suffer from damages arising from contracts with parties who had contracted for use of
11 the TCO Properties. On the other hand, throughout this process, Windsor has been renewing the
12 TCOs for approximately 90 days and the circumstances that have existed during the renewal of the
13 TCOs have not materially changed. Thus, the balance of the hardships between the parties tips in
14 favor of the Debtor and the FL Entities. The relief sought by the Debtor will protect and preserve the
15 value of the Future Legends Project for the benefit of *all* creditors while leaving Windsor unharmed.

16 53. The issuance of an injunction advances public policy to prevent a forfeiture of property
17 and further the goal of reorganization and also promotes the interests of the community at large.

18 WHEREFORE, the Debtor respectfully requests that this Court enter an order:

- 19 (a) enjoining Windsor from terminating the TCOs and requiring Windsor to renew or
20 extend the time on the TCOs for at least another 90 days from entry of an order; and
21 (b) granting such further relief as the Court deems just and proper.

22 Dated this 30th day of October, 2024.

23 **FOX ROTHSCHILD LLP**

24
25 By /s/ Brett A. Axelrod
26 BRETT A. AXELROD, ESQ.
27 JEANETTE E. MCPHERSON, ESQ.
28 Nevada Bar No. 5859
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
Counsel for Plaintiff

EXHIBIT 1

FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
(702) 262-6899
(702) 597-5503 (fax)



October 29, 2024

Mr. Jeff Katofsky, Esq.
4558 Sherman Oaks Avenue
Sherman Oaks, CA 91403

Re: Future Legends Complex – Temporary Certificates of Occupancy Expiration

Dear Mr. Katofsky:

As you know, the Temporary Certificates of Occupancy (TCOs) associated with the following Future Legends facilities are scheduled to expire on Thursday, October 31, 2024.

Pickleball Courts – 1090 Future Legends Drive – Permit #22WIN02163
Dome/Clubhouse – 1090 Future Legends Drive – Permit #21WIN-01485
Collegiate Stadium – 950 Owlz Way – Permit #21WIN-02226

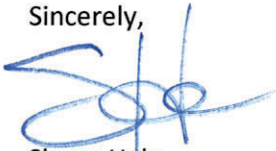
This letter is being sent per your request regarding the Town's consideration of your latest request for approval of TCO extensions. The Town has previously approved multiple extensions to Temporary Certificates of Occupancy (TCOs) at the request of Future Legends in an effort to work with you and allow time to address outstanding issues. For example, the initial TCO for the dome was granted on January 6, 2023, and the Town has granted you a total of seven (7) extensions on your TCO. The Town has prioritized this project from the start to give it the greatest opportunity to succeed and that is why those requests were approved.

Unfortunately, the lack of progress persists and various safety and sanitary concerns remain an issue as they have for over a year. Additionally, the Town has received numerous complaints from users of the facility due to the same conditions and concerns. Therefore, the Town will not approve your request for additional extensions, but will remain active with your team to ensure that you are able to finish each facility in order to receive a certificate of occupancy.

Additionally, most building permits at the site have already expired as the International Building Code required 180-day timeframe between inspections has lapsed. As we have discussed, you may submit new permit applications identifying your new contractors and yourself as owner, along with required drawings, insurance and security bonds. The Town stands ready to process those permits so that work can recommence as soon as possible to complete the work necessary for COs to be issued.

Please let me know if you have any questions.

Sincerely,



Shane Hale
Town Manager

Attachments: Hale letter of August 6, 2024
Ballstadt letter of July 18, 2024

pc: Casey Katofsky, Director of Operations, Future Legends
Patrick Casey, Fox Rothschild, LLC
Eric Lucas, Deputy Town Manager
Dan Money, Town Attorney
John Thornhill, Community Development Director
Scott Ballstadt, Planning Director

EXHIBIT 2

FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
(702) 262-6899
(702) 597-5503 (fax)

Howard Ehrlich
howie@legaluxpllc.com
301.204.5697



28 October 2024

To: Shane Hale, Town Manager
Town of Windsor
VIA EMAIL: shale@windsorgov.com

Re: Future Legends LLC Financing

Mr. Hale,

My name is Howie Ehrlich, outside counsel for Phoenix Capital Solutions. Phoenix Capital Solutions ("PCS") is the new lender for Future Legends, LLC, under contract to fund just over \$260,000,000 over the next 12 months. These funds are intended, among other things, to pay off all existing real estate debts and fund the completion of all construction at the Future Legends Complex. All loan documentation is now complete, and the funding is expected to begin next week. This is a permanent thirty three year loan.

PCS is a specialty lender based in West Palm Beach, Florida. PCS and its principals partner with real estate developers, commodity traders and other financial institutions to realize value of under utilized assets. PCS leadership have extensive experience in funding large scale development and operational efforts through monetization of assets and complex trade finance. Providing support and liquidity to businesses by way of operating capital, development funding, trade finance and complex debt instruments, PCS is proud to support its clients, including Future Legends.

Please contact the undersigned with any questions you may have.

Sincerely,

Howie Ehrlich

Howie Ehrlich
Managing Member
howie@legaluxpllc.com
Maryland Bar 1306190075

Cc: Jeff Katofsky, Future Legends
Amir Rashid, Phoenix Capital Solutions
Josh Stanley, Phoenix Capital Solutions

EXHIBIT 3

FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
(702) 262-6899
(702) 597-5503 (fax)



September 17, 2024

RE: Future Legends

Dear Jeff Katofsky:

Green Sage Capital Holdings, LLC ("GSCH") has completed a preliminary review of your loan request for the land/project referenced above. The below terms are based upon representations made by you and/or your broker regarding the loan. The loan is subject to the validation of underwriting. Any future credit offer will be based on verification and substantiation of these representations.

I. TRANSACTION INFORMATION AND LOAN STRUCTURE

Borrower	Future Legends LLC
Property	Future Legends Sports Complex
Property Address	1111 Diamond Valley Dr. Lots 1-7
Loan Amount	\$40,000,000USD
Maximum LTC/LTV	Up to 68%
Origination Fee	2.0% <i>Based on the Loan Amount</i>
Interest Rate	Prime + 1.50% <i>Floor Rate of 9.5%</i>
Rate Adjustment Frequency	Monthly
Brokers	1.0%
Closing / Funding	On or before November 5 th 2024



Interest Method	Actual/360 basis
Repayment	Monthly payments from capitalized interest reserve of 12 months <i>If the interest reserve is exhausted prior to end of project or if loan is in default, Borrower will be required to make payments via ACH direct debit from bank account</i>
Term	12 months
Prepayment	Prepayment will be prohibited for the Term
Options	1 option to extend for an additional 12 months with the payment of 1.0% extension fee. Extension option is subject to: <ul style="list-style-type: none"> - No event of default - Payment of the required extension fee - Maximum 70% LTV - extension may require a reappraisal of collateral at Borrower's expense
Loan Costs	Regardless of whether the loan closes, Borrower will be responsible for, in addition to the Underwriting Fee, any and all reasonable documented out-of-pocket expenses incurred in connection with the Loan, including, but not limited to, third-party reports (e.g. appraisal report, environmental report, etc.), attorney's fees, title costs, escrow costs and expenses for filings, searches and documentation.
Make-Whole Fee	N/A at this time.
Cash Collateral	N/A at this time.
Collateral	1st Deed of Trust and Assignment of Rents on land and improvements 1st lien position UCC-1 Security Interest in all assets associated with the real estate collateral



II. ESTIMATED SOURCES AND USES OF FUNDS

The Sources and Uses of Funds presented below are estimates based on the most relevant information available at the time this letter was prepared. All line items are subject to change as more detailed information is obtained throughout the underwriting process.

TO BE PROVIDED



III. PROPOSED LOAN COVENANTS

Construction Disbursements	<p>For remaining construction Loan - Borrower and general Contractor must adhere to the Lender's Construction Loan Disbursement Procedures (provided separately)</p> <p>A conference call will be held with the Borrower, General Contractor, and the construction monitoring company prior to loan closing to discuss the funds disbursement process. All out of pocket fees relating to the consulting services provided by the construction monitor shall be borne by the Borrower.</p>
Financial Reporting	<p>Borrower to provide financial statements as requested for Borrower, Guarantors and any affiliated entities owned by the principals within 15 days of request.</p> <p>Annually (within 90 days of fiscal year end):</p> <ul style="list-style-type: none"> • CPA compiled financial statements for Borrower • Debt schedule for Borrower • Personal financial statements <p>Annually (within 15 days of filing):</p> <ul style="list-style-type: none"> • Tax returns for Borrower <p>Semiannually (within 90 days of fiscal year end):</p> <ul style="list-style-type: none"> • Company prepared financial statements for Borrower • Debt schedule for Borrower and all Corporate • Personal Financial Statement for all Personal <p>Quarterly (within 30 days of quarter end):</p> <p>Company prepared financial statements for Borrower</p> <ul style="list-style-type: none"> • Debt schedule for Borrower
Property Tax Escrow	N/A
Reserves	N/A
Insurance Escrow	N/A
Ownership Changes	Transfers or changes in ownership of Borrower or changes in control of Borrower, will not be permitted without the prior written consent of Lender.
Additional Financing	No additional financing or monetary encumbrances of the Collateral shall be permitted during the term of the Loan.



IV. CONDITIONS PRECEDENT TO LOAN APPROVAL, LOAN DOCUMENTATION AND DISBURSEMENT

Subject to final approval by Lender, loan documentation and disbursement of proceeds shall be subject to the satisfaction (or written waiver by Lender) of the following conditions and delivery of the following items in form and substance satisfactory to Lender in its sole discretion. If approved, a binding commitment letter from Lender will describe in detail all of the conditions precedent to loan closing and disbursement.

Loan Approval & Documentation	Satisfactory submission of all underwriting requirements as per Lender's due diligence process. A detailed needs list will be provided separately.
	Receipt and satisfactory review of the following (if applicable): <ul style="list-style-type: none"> • Appraisal report • Phase I Environmental Site Assessment • Property Condition Report • Credit reports for each Borrower and Guarantor • 3rd party management agreement with an approved management company • Insurance coverage • ALTA Survey and Title Report • Flood Zone Determination and, if applicable, Flood Insurance • Franchise Agreement and Comfort Letter executed between Lender and Franchisor
	For the remaining contraction portion, Final construction plans, construction contract, permits and construction budget to be reviewed and approved by a Construction Monitoring Company approved by the Lender. The construction contract must be a "fixed price," "stipulated sum" or "guaranteed maximum price" contract.
	Assignment of contracts, including but not limited to, Construction Contract.
	Satisfactory site visit and collateral inspection conducted by employee of Lender, including a face-to-face meeting with owners of the Borrower.
	N/A
	Final construction plans, construction contract, permits and construction budget to be reviewed and approved by a Construction Monitoring Company approved by the Lender. The construction contract must be a "fixed price," "stipulated sum" or "guaranteed maximum price" contract.
	For the remaining contraction portion, Approval of General Contractor by a Construction Monitoring Company approved by the Lender.
	For all loans in excess of \$10,000,000, opinions of local counsel in form and substance satisfactory to Lender.



This proposal is for discussion purposes only. This letter is not intended to be all-inclusive but to serve as a basis for working towards a mutually acceptable agreement. Loan approval and funding is subject, but not limited, to the aforementioned conditions, all of which must be acceptable in Lender's sole judgment.

Lender shall be under no obligation to close or fund any loan to borrower unless and until it is satisfied with its due diligence review in its sole judgment an formal loan documents, prepared by Lender's counsel, are executed and delivered.

Lender reserves the right to sell, assign or participate its interest in this request at any time without Borrower consent.

Upon acceptance of this proposal, Borrower will be responsible for:

Reimbursement: The Company shall pay Green Sage Capital a deposit for expenses incurred in relation to commitment, due diligence, and investment documentation (including legal, administrative and travel) in the amount of 9,500.00 USD upon the signing of this term sheet.

Wiring Instructions for Deposit:

Bank Name:	Chase Bank
Bank Address:	270 Park Avenue New York, NY 10017
Account Name:	Green Sage Capital Holdings
Account Number:	662290979
Routing Number:	021000021
Amount:	\$9,500.00 USD

If you do not respond by **9/20/2024**, no further consideration will be given to the application.

Should you have any questions, please don't hesitate to contact me.

A handwritten signature in black ink, appearing to read 'Adam Ruppel', written in a cursive style.

Adam Ruppel
Managing Director
602-281-5642
Adam@greensagecap.com
Green Sage Capital Holding LLC.

A large, stylized handwritten signature in black ink, possibly reading 'A. Ruppel', written in a cursive style.



EXHIBIT B: STANDARD DUE DILIGENCE CHECKLIST

This is for review purposes only. You will be provided with a Customized Due Diligence Checklist, taking into account your entity structure, documents already provided and other parameters specific to your transaction. Therefore, please feel free to start gathering documents but please do not submit any documents until you have received the Customized Due Diligence Checklist.

General Items:

- ☐ All documents completed, signed and dated
- IMPORTANT: All sections of the forms provided are required to be completed**
- ☐ Historical Property Financial Statements:
 - ☐ P&L and Balance Sheet for each of the past three fiscal year ends
 - ☐ Tax returns for each of the past three years
 - ☐ Year-to-date P&L and Balance Sheet (dated within the past 60 days)
- ☐ Aging/Collection Report for the past 12 months, showing 30/60/90day delinquencies (if available)
- ☐ Detailed Debt Schedule
- ☐ Environmental Questionnaire
- ☐ COVID-19 Questionnaire
- ☐ Certificate of Beneficial Owner form
- ☐ Evidence of Property and Liability Insurance, including proof of payment
- ☐ Evidence of Flood Insurance (if property is in a flood zone)
- ☐ Property Management/Operating Agreement, fully executed (if applicable)
- ☐ Property Management Company Biography (if applicable)
- ☐ Resumes of all Key Management Personnel
- ☐ Succession Plan. Please note, this is not a legal document, but simply for internal reference should a guarantor become incapacitated or deceased.
- ☐ including all extensions and/or amendments
- ☐ Evidence of Funds available for down payment
- ☐ 3rd Party Reports (if available):
 - ☐ Appraisal
 - ☐ Environmental Report
 - ☐ Preliminary Title Report
 - ☐ Feasibility Study
 - ☐ ALTA Survey
 - ☐ Latest Franchise Inspection Report provided by Franchisor Tenants in Common Agreement (TIC), fully executed (if applicable)
- ☐ Franchise Agreement, fully executed
- ☐ Franchise Comfort Letter

**For each Personal Guarantor:**

- ☐ **Personal Financial Statement**, signed and dated within the past 60 days
 - ☐ **Schedule of Real Estate Owned**, signed and dated within the past 60 days
 - ☐ **Personal Tax returns** for the past 3 years, including all schedules
IMPORTANT: Schedule K-1s are a crucial part of underwriting and will be required for all entities listed on Schedule E Part 2 of each year of the individual's Form 1040
 - ☐ **For all entities in which the personal guarantor holds $\geq 50\%$ ownership:**
 - ☐ **Historical Financial Statements:**
 - ☐ P&L and Balance Sheet for each of the past 3 fiscal year ends
 - ☐ Tax returns for each of the past 3 years
 - ☐ Year-to-date P&L and Balance Sheet (dated within the past 60 days)
 - ☐ **For all entities in which the personal guarantor holds $< 50\%$ ownership:**
 - ☐ **Schedule K-1s**
 - ☐ **Credit Check Authorization**
 - ☐ **Liquidity Verification** Most recent available three (3) months of complete account statements to support stated liquidity position (i.e., full bank account statements, brokerage statements, etc.)
 - ☐ **Resume**
 - ☐ **4506-T IRS Form**
 - ☐ **Statement of Personal History** ☐
- Copy of two forms of ID**

For each Entity Guarantor:

- ☐ **Historical Financial Statements:**
 - ☐ P&L and Balance Sheet for each of the past three fiscal year ends
 - ☐ Tax returns for each of the past three years
 - ☐ Year-to-date P&L and Balance Sheet (dated within the past 60 days)
 - ☐ **Latest Franchise Inspection Report** provided by Franchisor
- ☐ **Detailed Debt Schedule**
- ☐ **Liquidity Verification** Most recent available three (3) months of complete account statements to support stated liquidity position (i.e., full bank account statements, brokerage statements, etc.)
- ☐ **4506-T IRS Form**

If the Project includes Construction or Improvements:

- ☐ **Detailed Construct Cost Budget**
- ☐ **Detailed FF&E Budget**
- ☐ **Detailed Soft Cost Budget** (e.g. permit fees, architectural and engineering costs, etc.)
- ☐ **Construction Contract** (AIA form or equivalent), fully executed
- ☐ **Construction Plans and Specs**
- ☐ **Statement of Qualifications** for the Contractor, including:
 - ☐ Past two years' financial statements (P&L and Balance Sheet)
 - ☐ Copy of the contractor's license
 - ☐ List of completed projects that includes:
 - Location and type of construction
 - Amount of contract
 - Reference contact person and phone number
 - ☐ List of current work in progress
 - ☐ Description of the qualifications of the key employees

A more detailed list will be provided to complete the Contractor Evaluation and Document & Cost Review reports.



Entity Documents for Borrower(s) and Guarantor(s):

Sole Proprietorship:

- ☐ Copy of Fictitious Business Name Statement and Business License

Corporation:

- ☐ Organizational Chart
- ☐ Articles of Incorporation
- ☐ By Laws
- ☐ SS-4 EIN Letter: Copy of IRS Letter including EIN/TAX ID #
- ☐ Certificate of Beneficial Owner(s)
- ☐ Certificate of Good Standing - must be less than 45 days old
- ☐ Foreign Qualification Documentation - Authorization for borrowing entity to transact business in the state where the property is located (if applicable)
- ☐ Amendments to any of the entity documents (if applicable)

IMPORTANT: If the President and Secretary of the company are not clearly identified in the documents outlined above, please provide a Resolution - signed by the President and/or Secretary - stating who holds these positions

Limited Liability Company (LLC):

- ☐ Organizational Chart
- ☐ Operating Agreement, fully executed
- ☐ Articles of Organization/Formation
- ☐ SS-4 EIN Letter: Copy of IRS Letter including EIN/TAX ID #
- ☐ Certificate of Beneficial Owner(s)
- ☐ Statement of Information (LLC-12) - for California LLCs only
- ☐ Certificate of Good Standing - must be less than 45 days old
- ☐ Foreign Qualification Documentation - Authorization for borrowing entity to transact business in the state where the property is located (if applicable)
- ☐ Amendments to any of the entity documents (if applicable)

Partnership (General or Limited):

- ☐ Organizational Chart
- ☐ Partnership Agreement (with all exhibits), fully executed
- ☐ Statement or Certificate of Partnership
- ☐ SS-4 EIN Letter: Copy of IRS Letter including EIN/TAX ID #
- ☐ Certificate of Beneficial Owner(s)
- ☐ Certificate of Good Standing - must be less than 45 days old
- ☐ Foreign Qualification Documentation - Authorization for borrowing entity to transact business in the state where the property is located (if applicable)
- ☐ Amendments to any of the entity documents (if applicable)

Trust:

- ☐ Organizational Chart
- ☐ Certification of Trust and copy of pages reflecting the name of the Trust, the names of the Trustees and their powers and the executed signature page
- ☐ Trust Agreement, fully executed, including any Amendments
- ☐ SS-4 EIN Letter: Copy of IRS Letter including EIN/TAX ID # (if applicable)
- ☐ Certificate of Beneficial Owner(s)

EXHIBIT 4

FOX ROTHSCHILD LLP
1980 Festival Plaza Drive, Suite 700
Las Vegas, Nevada 89135
(702) 262-6899
(702) 597-5503 (fax)



July 18, 2024

Mr. Jeff Katofsky, Esq.
4558 Sherman Oaks Avenue
Sherman Oaks, CA 91403

Re: Future Legends Complex – Temporary Certificates of Occupancy

Dear Mr. Katofsky:

Please be advised that the Temporary Certificates of Occupancy (TCO) associated with the following Future Legends facilities are scheduled to expire on Tuesday, July 23, 2024.

Pickleball Courts – 1090 Future Legends Drive – Permit #22WIN02163
Dome/Clubhouse – 1090 Future Legends Drive – Permit #21WIN-01485
Collegiate Stadium – 950 Owlz Way – Permit #21WIN-02226

The Town has worked with Future Legends to issue previous extensions to these TCOs but little to no progress has been made in the past year and, given this lack of performance on the part of Future Legends, the Town is not inclined to grant further extensions. Therefore, please be advised that upon expiration of these TCOs next Tuesday, the Town will be forced to post the property and restrict access to not allow public occupancy of the facilities due to unsafe and unsanitary conditions. Examples of such conditions include, but are not limited to:

Dome & Pickleball Courts:

- On-going use of narrow access road not designed or approved or lighted for long-term or permanent ingress/egress
- No secondary access using only one public ingress/egress access point – circuitous route through construction zones does not suffice for secondary access
- Open trenches and construction areas accessible to public
- On-going use of port-a-lets since opening with little to no progress on permanent restrooms in the past 6 months
- Accumulation of trash and debris on site and infrequent servicing of port-a-lets

Collegiate Field:

- Still utilizing parking areas with a single lift of asphalt not meeting Town standards

- Fields to the west and south of collegiate field still under construction and open to trespass; these construction zones are in high traffic areas and present an attractive nuisance to children coming to the site
- Still utilizing generator power for lighting; operations on generator power was allowed on a temporary basis to open facility but needs to be converted to permanent power

The Town would encourage that you notify any and all users of the aforementioned facilities that they will not have access to said facilities after Tuesday, July 23, 2024 and to make alternative arrangements.

Please also be advised that upon expiration of the aforementioned TCOs, the associated liquor license will also be null and void.

Please let me know if you have any questions.

Sincerely,



Scott Ballstadt
Director of Planning

pc: Casey Katofsky, Director of Operations, Future Legends
John Walker, Jr., President, JACO General Contractor
Ryan Spilborghs
Lawrence Thomas, Manager, LAT Partners
Shane Hale, Town Manager
Dan Money, Town Attorney
Karen Frawley, Town Clerk